

BEFORE THE
NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission, on	Case No. NG-0028/PI-97
its own motion, seeking to investigate)
and adopt policies for administration of)
Consumer Choice Programs offered by)
Jurisdictional Utilities for natural gas)
Service in Nebraska.)

INITIAL COMMENTS OF THE PUBLIC ADVOCATE

By Order entered on June 14, 2005, the Nebraska Public Service Commission (“Commission”), on its own motion, has opened an investigation to adopt policies for administration of Consumer Choice Programs offered by jurisdictional utilities for natural gas service in Nebraska. The Public Advocate hereby submits the following initial comments regarding this matter.

The Public Advocate reserves the right to supplement its comments in light of any comments that may be submitted by other parties, matters that may be raised or presented at the forthcoming public workshop scheduled for September 13, 2005 or other aspects of the progression of this docket.

In its June 14, 2005 Order, the Commission defined a “consumer choice program” as “a program offered by a jurisdictional utility that allows ratepayers, other than high-volume ratepayers, to purchase their gas supplies from a person other than the local gas utility.” Thus, it would appear that the Commission intended this docket to focus on investigation of arrangements whereby jurisdictional utilities may make their local distribution systems available to provide transportation to customers of gas supplies purchased from certified

natural gas providers, as opposed to the more conventional arrangement whereby the jurisdictional utility sells gas supplies to customers and transports such supplies to such customers through its system.

The Public Advocate is aware that there has been some thought expressed in at least some jurisdictional utility circles that the concept of a “consumer choice program” should be viewed more broadly to encompass other gas pricing alternatives and/or other arrangements that may be characterized as constituting some type of “unbundling” of services traditionally provided by local distribution companies. Unless and until the Commission expresses a clear intent that it desires an investigation of “consumer choice programs” through this docket to be any broader than the context of programs under which jurisdictional utilities may permit customers other than high volume customers to purchase their gas supplies from a source other than the local gas utility, it is the view of the Public Advocate that the matters to be explored in this docket should be limited to the definition of “consumer choice program” as that term is defined in the Commission’s June 14, 2005 Order. In any event, the Public Advocate is hopeful that comments will be submitted by jurisdictional utilities that will clarify whether they view the concept of a “consumer choice program” within the context of this docket to be broader than a program offered by a jurisdictional utility that allows ratepayers, other than high-volume ratepayers, to purchase their gas supplies from a person other than the local gas utility.

Each of the three jurisdictional utilities providing natural gas service in Nebraska have different approaches and practices with regard to consumer choice programs. Without necessarily intending to validate or criticize the approach any of the three jurisdictional utilities have taken in this regard, the Public Advocate identifies the following two areas of concern that should be explored in the course of the investigation provided for in this docket:

1. To the extent any jurisdictional utility serving multiple rate areas elects to provide a “consumer choice program” in any one or more of the rate areas it serves, should there be a requirement that such jurisdictional utility also offer the same “consumer choice program” in other rate areas it serves?

2. With regard to current consumer choice programs or future consumer choice programs that employ an opt-in or opt-out approach including some sort of “default” provision, under which customers who do not make a selection of a natural gas provider from whom gas supplies will be purchased will be assigned to a particular provider and/or will be deemed to have their rate set at a particular point in time, what type and level of regulatory oversight is appropriate to provide protection to customers? For example, if the consumer choice program selection period is such that different rates may apply depending upon when customers who make a selection actually make their selection, what time point during the selection period should be deemed to apply to determine the price that “default” customers will pay for their gas supplies?

The Public Advocate appreciates the opportunity to comment in this matter and looks forward to participating in further proceedings in this docket.

DATED this 15th day of August, 2005.

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